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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
DECEMBER 1957

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Federal Order No. 100, 3756 Ringgold Rd., Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

LOWER DAIRY PRICE SUPPORTS

Secretary of Agriculture Ezra Taft Benson recently announced that dairy price supports for the marketing year, which begins April 1, 1958, will be at levels which reflect 75 percent of the parity price of manufacturing milk and butterfat at the beginning of the marketing year. This announcement was made well in advance so that adjustments and milk promotion plans can be underway by the start of the new marketing year. Dairy price supports are mandatory under the controlling legislation, within a range of 75 to 90 percent of parity. The Secretary of Agriculture is required by law to determine, within this range, the level "necessary in order to assure an adequate supply".

During the current year (1957-1958) dairy supports are available at \$3.25 per cwt. for manufacturing milk (reflecting 83% of parity) and at 58.6 cents per pound for butterfat (reflecting 80% of parity). The dollars-and-cents level of supports for butter, cheese, and nonfat dry milk during the 1958-59 marketing year will be announced before the start of the marketing year next April 1.

It is estimated that the support price for manufacturing milk will drop about 23 cents per cwt. The minimum prices under the Chattanooga milk order are expected to change about this same amount since they are based upon formulas using the prevailing prices for manufacturing milk and dairy products.

MARKET SUMMARY DECEMBER 1957

The Order MINIMUM uniform price payable to producers for milk delivered during December to pool plants located less than 65 miles from City Hall, Chattanooga, Tennessee and distributing milk in Hamilton, Bradley and McMinn Counties Tennessee is \$4.87 per cwt. f.o.b. plants for milk testing 4.0% butterfat. The butterfat differential is 7.2¢ for each one tenth of one percent above or below 4 percent. (See page 3) It is reported by Chattanooga Area Milk Producers' Association that their negotiated premium producer blend price will be \$5.06 for milk testing 4.0% butterfat. This is \$0.19 over order producer blend.

During December 77.9% of total producer milk was priced in Class I at \$5.28 per cwt. with a handler butterfat differential of 7.7¢ and 22.1% was priced in Class II at \$3.54 per cwt. with a butterfat differential of 6.9¢. (See page 3) The percent of producer skim and butterfat priced in Class I was 78.6% and 64.1% respectively.

The daily average deliveries of producer milk during December decreased 0.8% compared with November and increased 4.5% compared with December 1956. The daily average use of Class I milk decreased 11.9% compared with November and increased 5.1% compared with December 1956.

The Order MINIMUM Class I price for January is \$5.29, an increase of 1 cent from the December price. (Basic formula \$3.54 plus \$1.75 Class I Differential). The butter-powder formula price of \$3.54 per cwt. being the highest of the four alternate price formulas was used to compute the Class I price for January 1958. The Chattanooga Area Milk Producers' Association reports negotiated premium of 25¢ over Order Class I price for all its producer milk priced in Class I during January 1958.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	Dec. '57	Nov. '57	Dec. '56 ^{1/}
Number of Plants (Pool and Non-Pool)	22	21	20
<u>GROSS RECEIPTS (DAILY)</u>			
Producer Milk - Cans	-	295,237	324,256
Producer Milk - Bulk Tank	-	94,251	45,393
Total Producer Milk Pounds	386,235	389,488	369,649
% Dec. '57 compared with:	100.0	99.2	104.5
Other Source Milk Pounds	9,925	9,485	12,735
Other Order Milk Pounds	11,967	11,909	10,742
<u>TOTAL MILK POUNDS</u>	408,127	410,882	393,126
% Dec. '57 compared with:	100.0	99.3	103.8
<u>GROSS UTILIZATION (DAILY)</u>			
Class I Milk Pounds			
Fluid Milk	255,269	269,675	253,851
Buttermilk	34,318	36,902	35,474
Chocolate Milk	5,813	6,707	6,129
Fluid Skim	5,000	5,003	4,436
Fluid Creams	2,120	2,087	2,098
Bulk to Non-Handlers	15,474	41,845	599
Class I Shrinkage	1,047	515	1,357
Inventory Reclassification	(323)	(1,149)	(716)
Overstated Sales	-0-	-0-	-0-
<u>TOTAL CLASS I MILK</u>	318,718	361,585	303,228
% Dec. '57 compared with:	100.0	88.1	105.1
Class II Milk Pounds (Used to Produce)			
Butter	3,709	3,199	3,725
Cottage Cheese	7,928	8,711	5,765
Powder and Condensed Milk	50,102	18,844	55,071
Ice Cream	11,982	14,067	13,764
Inventory Variation	2,042	(3,664)	(726)
Other ^{2/}	13,646	8,140	12,299
<u>TOTAL CLASS II MILK</u>	89,409	49,297	89,898
% Dec. '57 compared with:	100.0	181.4	99.5
% Producer Milk of Gross Class I	121.2	107.7	121.9
% Producer Skim of Gross Class I Skim	120.2	106.9	120.8
% Producer Bf. of Gross Cl. I Bf.	147.4	129.3	149.8
% Producer Milk Priced in Class I	77.9	88.4	77.0

^{1/} Revised per audit^{2/} Includes eggnog, stockfeed, sour cream, shrinkage and overage.

NUMBER OF FARM PAYROLL ACCOUNTS

	1956	1957											
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
New	7	8	1	0	5	0	0	2	14	17	13	3	3
Quit	65	6	4	4	2	4	0	3	0	12	12	4	4
Total	799	801	798	794	797	793	793	792	806	811	812	811	810
Cans	750	742	732	725	726	714	696	694	700	696	687	675	667
Bk. Tank	49	59	66	69	71	79	97	98	106	115	126	136	143

ACTIVITIES OF CHECK TESTERS DECEMBER 1957: Plant Scales checked 6; Plant calls 133;
 Samples tested - Composite 2,307, Fresh 5,240, Finished Products 257.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR DECEMBER 1957

Based on 22 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test	Cwt. Price @ Test	Value
Gross Class I		9,880,234	3.700		
Less Other Source		547,871	3.731		
Producer Milk Class I	77.9	9,332,363	3.698195	\$5.047610	\$471,061.29
Gross Class II		2,771,688	6.986		
Less Other Source		130,765	.012		
Producer Milk Class II	22.1	2,640,923	7.331717	5.838885	154,200.46
TOTAL PROD. (Cl. I + Cl. II)	100.0	11,973,286	4.499634		625,261.75
Add Unpriced Milk Allocated to Cl. I		186,876		0.41	766.19
Add Overage Value					101.56
Add Inventory Reclass. Value					-0-
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,832.78
TOTAL VALUE AT TEST		11,973,286	4.499634		631,962.28
Less Test Over 4% @ 7.2¢ per point		11,973,286	.499634	0.359736	43,072.22
TOTAL VALUE AT 4%		11,973,286	4.0	4.918366	588,890.06
Less Producer-Settlement Fund Reserve		11,973,286		.048366	5,791.00
UNIFORM PRICE f.o.b. POOL PLANT		11,973,286	4.0	4.87	583,099.06

DECEMBER 1957 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Miles)

BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT

(Excludes Premium)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.15	3.6	\$4.582	4.2	\$5.014	4.8	\$5.446	5.4	\$5.878
3.05	4.186	3.65	4.618	4.25	5.05	4.85	5.482	5.45	5.914
3.1	4.222	3.7	4.654	4.3	5.086	4.9	5.518	5.5	5.95
3.15	4.258	3.75	4.69	4.35	5.122	4.95	5.554	5.55	5.986
3.2	4.294	3.8	4.726	4.4	5.158	5.0	5.59	5.6	6.022
3.25	4.33	3.85	4.762	4.45	5.194	5.05	5.626	5.65	6.058
3.3	4.366	3.9	4.798	4.5	5.23	5.1	5.662	5.7	6.094
3.35	4.402	3.95	4.834	4.55	5.266	5.15	5.698	5.75	6.13
3.4	4.438	4.0	4.87	4.6	5.302	5.2	5.734	5.8	6.166
3.45	4.474	4.05	4.906	4.65	5.338	5.25	5.77	5.85	6.202
3.5	4.51	4.1	4.942	4.7	5.374	5.3	5.806	5.9	6.238
3.55	4.546	4.15	4.978	4.75	5.41	5.35	5.842	5.95	6.274

NEW MILK BASES FOR 1958

Each producer for the Chattanooga Marketing Area will have a NEW MILK BASE to be used in making payment to such producer during the months of March through July 1958. The 1958 daily average base will be computed by dividing each producer's total milk deliveries to pool plants during September 1957 through January 1958 by the number of days from the first day of delivery to the last day of January, inclusive, but not less than 120 days. From August 1957 through February 1958, producers will be paid a uniform blend price for their total milk deliveries. Producer bases are assigned to payroll accounts as reported by the handler(s) receiving the milk. Producers (particularly partnerships) are urged to see that their account name is correctly listed with the handler receiving their milk. Official Base transfers are necessary in order to transfer milk pounds credit from one producer to another.

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES				HANDLER CLASS PRICES			
	Per hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Dec.'56	\$4.93 1/2	-	-	7.2¢	\$5.40 1/2	8.0¢	\$3.55	6.9¢
Jan.'57	4.97 1/2	-	-	7.1	5.37 1/2	7.8	3.53	6.8
Feb.	4.90 1/2	-	-	7.1	5.36 1/2	7.7	3.24	6.8
Mar.	4.76 2/2	\$5.01 1/2	\$3.14	7.1	5.33	7.7	3.18	6.8
Apr.	4.55 2/2	4.90 1/2	3.09	7.1	5.28	7.7	3.13	6.8
May	4.54 2/2	4.88 1/2	3.07	7.1	5.28	7.7	3.11	6.8
June	4.55 2/2	4.82 1/2	3.04	7.1	5.28	7.7	3.08	6.8
July	4.69 2/2	4.96 1/2	3.00	7.1	5.28	7.7	3.04	6.8
Aug.	4.94 1/2	-	-	7.2	5.28	7.7	3.06	6.9
Sept.	4.98 1/2	-	-	7.3	5.29 1/2	7.7	3.61	7.0
Oct.	4.92 1/2	-	-	7.2	5.36 1/2	7.9	3.55	6.9
Nov.	5.06 1/2	-	-	7.1	5.30 1/2	7.8	3.53	6.8
Dec.	4.87 1/2	-	-	7.2	5.28 1/2	7.7	3.54	6.9
Jan.'58	-	-	-	-	5.29 1/2	7.8	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Cond. Mid-West	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Cond. Mid-West	Butter Cheese	Butter Powder	Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	\$-cwt-3.5%	¢ lb.	¢ lb.	¢ lb.	
Dec.'56	3.264	59.934	14.270	33.062	3.62	3.26	3.55	3.21	3.62
Jan.'57	3.254	59.386	14.275	33.250	3.61	3.24	3.53	3.26	3.61
Feb.	3.229	59.375	14.235	33.417	3.58	3.24	3.53	3.24	3.58
Mar.	3.171	59.375	14.230	33.534	3.53	3.24	3.53	3.18	3.53
Apr.	3.098	59.375	14.285	33.218	3.45	3.24	3.53	3.13	3.53
May	3.067	59.375	14.265	33.208	3.42	3.24	3.53	3.11	3.53
June	3.058	59.375	14.305	33.208	3.41	3.24	3.53	3.08	3.53
July	3.042	59.375	14.155	33.208	3.40	3.24	3.53	3.04	3.53
Aug.	3.062	59.597	14.275	33.208	3.42	3.25	3.54	3.06	3.54
Sept.	3.096	61.100	14.355	33.250	3.46	3.32	3.61	3.11	3.61
Oct.	3.135	59.815	14.410	33.250	3.50	3.26	3.55	3.14	3.55
Nov.	3.150	59.375	14.450	33.250	3.51	3.24	3.53	3.19	3.53
Dec.	3.146	59.685	14.475	33.250	3.51	3.25	3.54	3.21	3.54

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/				Gross Repts.	Number of Hdlr.Prod.	Deliveries Per Farm -- Pounds			Prod. Milk Test%
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.			Prod.	Base	Exc.	
	Cl. I	Cl. I	Repts.	Repts.			Prod.	Base	Exc.	
Dec.'56	303,228	284,777	369,649	-	393,126	20	799	463	-	4.51
Jan.'57	322,389	303,901	377,848	-	400,370	20	801	472	-	4.53
Feb.	324,782	304,944	384,266	-	408,530	20	798	482	-	4.40
Mar.	317,192	298,741	399,102	345,439	421,610	20	794	503	435	4.36
Apr.	313,445	294,559	436,136	351,967	459,103	21	797	547	442	4.24
May	304,537	285,723	429,661	349,026	453,513	21	793	542	440	4.22
June	285,439	267,528	392,424	334,437	415,157	21	793	495	422	4.23
July	297,391	279,329	373,575	322,798	397,274	21	792	472	408	4.20
Aug.	323,490	304,724	355,141	-	379,144	21	806	441	-	4.19
Sept.	335,187	316,764	376,312	-	400,960	21	811	464	-	4.29
Oct.	322,899	304,440	395,303	-	417,523	21	812	487	-	4.47
Nov.	361,585	344,230	389,488	-	410,882	21	811	480	-	4.49
Dec.	318,718	301,044	386,235	-	408,127	22	810	477	-	4.50

1/ Excludes Premium

2/ For statistics only.

3/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base.

4/ Audited figures through June 1957